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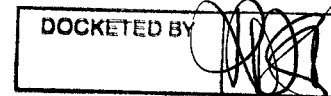
AZ CORP COMMISSION
DOCKET CONTROL

March 4, 2008

Mr. Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

MAR 4 2008



RE: Calculation of Capital Structure
Docket No. E-01345A-02-0707

Dear Mr. Johnson:

Pursuant to the Arizona Corporation Commission's Decision No. 65796, attached please find Arizona Public Service Company's Calculation of Capital Structure for the quarter ending December 31, 2007.

If you have any questions regarding the information contained herein, please contact Zachary Fryer at 602-250-2767.

Sincerely,

Barbara Klemstine

Attachment

CC: Brian Bozzo, Compliance & Enforcement
Docket Control (Original + 13 copies)

**Arizona Public Service Company
Capital Structure
December 31, 2007
(\$000)**

Common Equity	<u>3,351,441</u>
Long Term Debt less Current Maturities	2,876,881
Current Maturities of Long Term Debt	<u>978</u>
Total Debt	2,877,859
Total Common Equity and Long Term Debt	6,229,300
APS Common Equity Ratio*	53.8%

* Calculated in accordance with ACC Decision No. 65796, page 8, Staff Condition No. 7.